



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

mining file

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

June 18, 1987

CERTIFIED RETURN RECEIPT REQUESTED
P 001 717 711

Mr. David R. Bird, Esq.
Parson, Behle, & Latimer
185 South State Street
Salt Lake City, Utah 84147-0898

Dave

Dear Mr. Bird:

Re: Bonding Requirements - Barrick Mercur Gold Mines, Inc. -
ACT/045/017 - Tooele County, Utah

The Division has reviewed the audited corporate financial statements for American Barrick Resources Corporation for the calendar year ending December 31, 1986. Our review shows that when the financial statements are adjusted according to United States accounting methods, American Barrick Resources Corporation does not meet the criteria for self bonding. More specifically, the current liabilities are increased by \$42,072,000 (see pg. 41, section 25, part C of the annual report) and the current asset to current liability ratio is reduced to :

$$\frac{\$153,022,000}{165,536,000} = .92$$

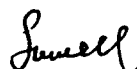
This is less than the required 1.2.

If you disagree with our calculations, please respond with written justification within 30 days. If it is agreed that American Barrick Resources Corporation does not meet self bonding criteria, we will expect Barrick Mercur Gold Mines, Incorporated to post a Corporate Surety Bond or Collateral Bond before September 1, 1987. The new bond should be in the amount of \$6,657,000 and will replace the existing Self Bonding and Indemnity Agreement.

Page 2
Mr. David R. Bird, Esq.
June 18, 1987

If you should have any questions or need additional information,
please contact me.

Sincerely,



Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

clj
cc: F. Filas
R. Harden
D. Wham
C. Eurick, Barrick Mercur
1210R/31&32